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Northeast Iowa Local Food Survey Summary Report

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Abstract
This is a preliminary report of findings from a survey of 140 institutional buyers in a five-county region in northeast Iowa for the Northeast Iowa Food and Farm Coalition. The survey found that 57 percent of respondents currently use locally grown food. This was a Leopold Center special project, RWG2007-01, related to the Regional Food Systems Working Group.

Keywords
Agritourism and place-based food, Community-based food systems

Disciplines
Agriculture | International and Community Nutrition

NORTHEAST IOWA LOCAL FOOD SURVEY

SUMMARY REPORT

July 2007

Prepared For:

Northeast Iowa Food & Farm Coalition

Allamakee, Clayton, Fayette, Howard and Winneshiek Counties

LEOPOLD CENTER

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Executive Summary

This report summarizes the initial findings of a survey of institutional buyers in a five-county region in Northeast Iowa. Staff members at nearly 140 institutions answered questions about product and purchasing attributes, advantages to local purchases, purchasing patterns of local food products, and demographic characteristics.

Here is a summary of the findings and possible uses for this information.

1. Taste and quality are viewed as extremely important product attributes by institutional buyers. The institutions also are very concerned with food safety and guaranteed consistent quality when considering the purchase of local products. A producer or processor can use the product and purchasing attributes to differentiate his/her product and/or to match the products to be sold with the needs and concerns of the institutional buyer. A possible differentiation strategy would be to offer a product sample and/or help conduct a taste comparison test. The key to guaranteed consistent quality is to make sure the buyer always receives uniform, top-quality products.

2. Forty-one percent of the respondents thought locally grown food products would have an advantage in their appeal to their customers. Producers and processors should ask institutional buyers if there are advantages to using locally grown products and what those advantages are. With that information, vendors can tailor their marketing message to match the buyer's needs. Moreover, producers and processors could use a variety of marketing channels to convey the local food message to consumers served by institutional buyers.

3. Fifty-seven percent of respondents indicated they currently use locally grown food.

4. Sixty-one respondents reported they are not purchasing or stopped purchasing locally grown products due to lack of access and/or availability, they had not been approached by a local farmer or processor, or they did not know who to contact. There appears to be potential for selling locally grown products to institutional buyers once they are made aware of the products that are available to purchase and learn how to make contact with growers.

5. State codes and regulations were cited as barriers to purchasing local products by 35 respondents. Producers and processors need to determine if this is a fact-based barrier or a

perceived one. If the problem is one of perception, educational programs may help. Determining how to eliminate this barrier, perceived or otherwise, should be a high priority.

6. Another obstacle noted was the higher cost of locally grown food. A focus on product differentiation based on quality, taste and the other attributes important to buyers may help resolve this issue. However, some buyers may be so concerned about cost that solutions to this problem may be difficult to find. Once the barriers are removed, however, 85 percent of the respondents indicated they would purchase locally grown food. There was a wide range of products buyers would be willing to purchase and most of the products could be grown or raised in the five-county survey area. Buyers reported they would be willing to pay, on average, 12 percent more for locally grown products.

7. Approximately 60 percent of the institutional buyers self-classified themselves as full-service restaurants or "other." Another 25 percent were categorized as public or private schools and hospitals or care centers. The buyers are experienced; they average 16 years on the job and the average age is the upper 40s.

Introduction

The Northeast Iowa Food and Farm Coalition, formed in 2006, includes agricultural growers, banks, market gardeners and orchardists, extension agents, retailers, independent meat processors, and fund-raisers. Their mission is to support the development and marketing of locally grown agricultural products to enhance the lives of local citizens.

The Northeast Iowa Food and Farm Coalition has implemented a strategic plan, designed to build a stronger local food and farm economy in northeast Iowa. The Coalition has identified these goals:

1. Provide an opportunity for existing and new producers to diversify;
2. Explore the development of regional processing and storage facilities to add value to all agricultural products in the area; and
3. Increase sale and consumption of locally grown food on a local, regional and national level.

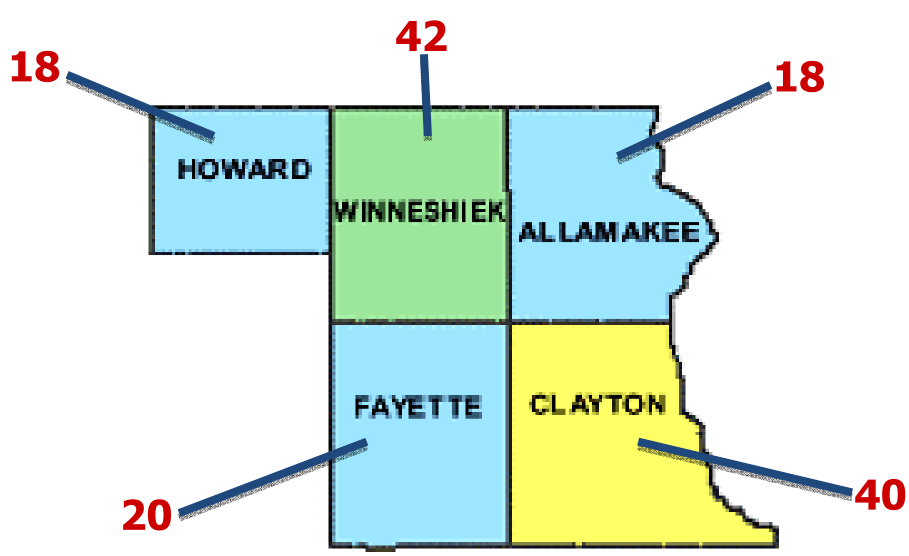
In order to achieve the stated goals, it is essential to assess current purchasing patterns by institutional buyers and households, map out the assets in the region, and determine what economic impact can be achieved by reaching the goals.

The results outlined in this report come from a survey (complete survey instrument shown in the Appendix) of institutional buyers in Howard, Winneshiek, Allamakee, Clayton, and Fayette counties. The institutions were identified from various sources. The questionnaire was hand-delivered and the institutions notified the survey delivery people when it was completed. This was not a random sample and no inferences can be made beyond the sample received. Approximately 180 questionnaires were delivered with 140 returned for a return rate of about 78 percent. Of the 140 surveys returned, approximately 135-138 answered most of the questions. Forty-two responses came from Winneshiek County, 40 from Clayton, 20 from Fayette, and 18 each from Howard and Allamakee.

NORTHEAST IOWA LOCAL FOOD SURVEY

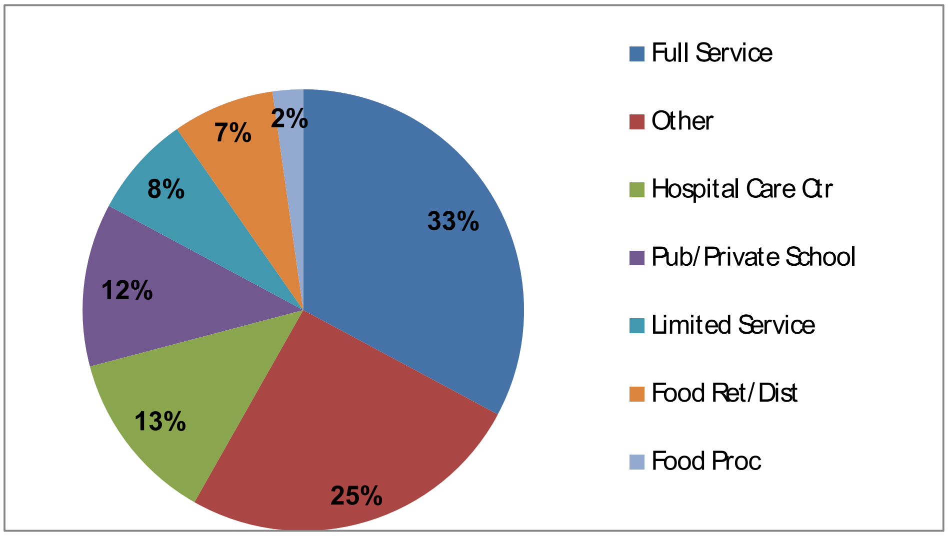
SURVEY RESULTS

Demographics of Respondents



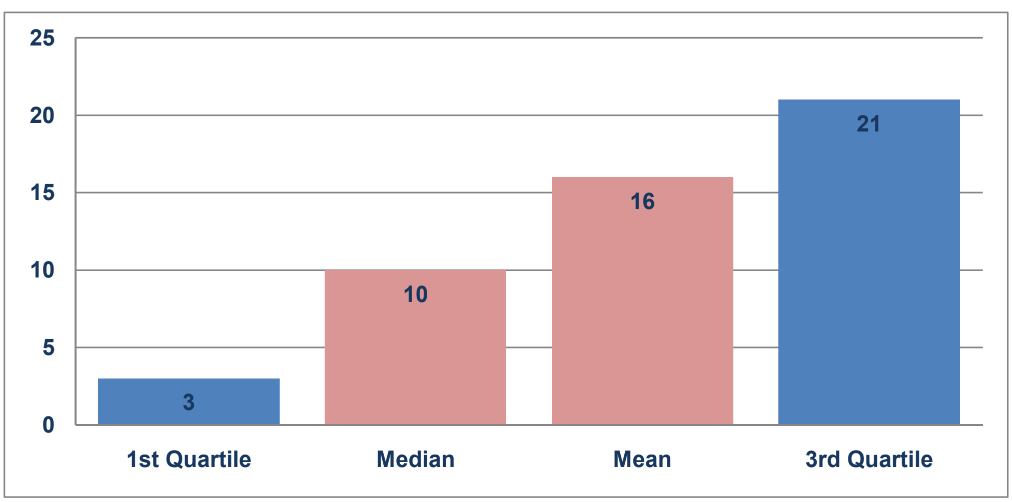
The breakdown of participants by county is shown on the graph, with the largest number of respondents living in Winneshiek and Clayton counties.

Question: Which best describes your type of business?



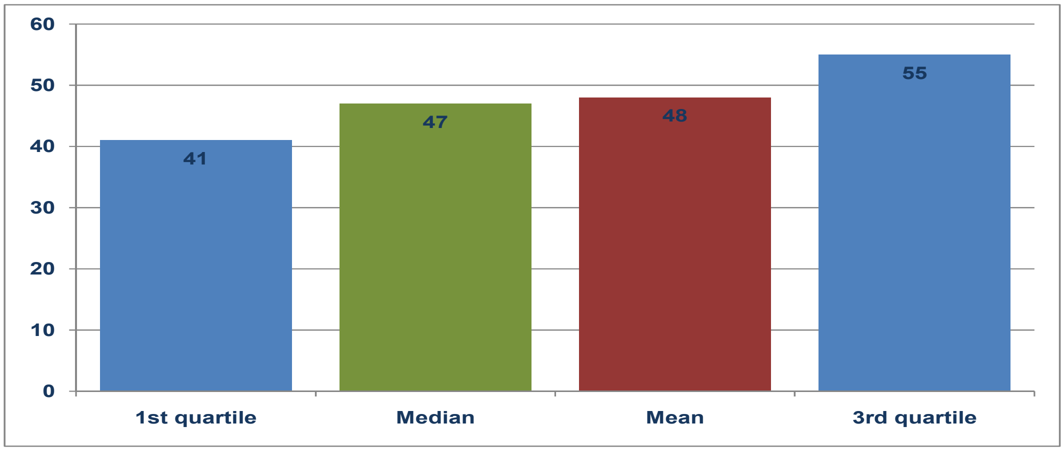
Respondents were asked to place their institution into one of seven categories; full-service restaurant, other, hospital or care center, public or private school, limited service restaurant, food retailer or distributor, or food processor. The largest grouping of institutions self-classified themselves as full-service restaurants (33 percent) followed by "other" (25 percent). "Other" institutional buyers include bakeries, delis, and other food establishments that offer a limited line of food products. Seventeen (13 percent) respondents were hospital and care centers, 12 percent were public and private schools, and 8 and 7 percent were limited service restaurants and food retailers and distributors, respectively. Only three institutions were classified as food processors (2 percent of the total).

Question: How many years have you been in business?



Respondents averaged 16 years in business; 25 percent of respondents were in business three years or less and 25 percent had been in business more than 21 years.

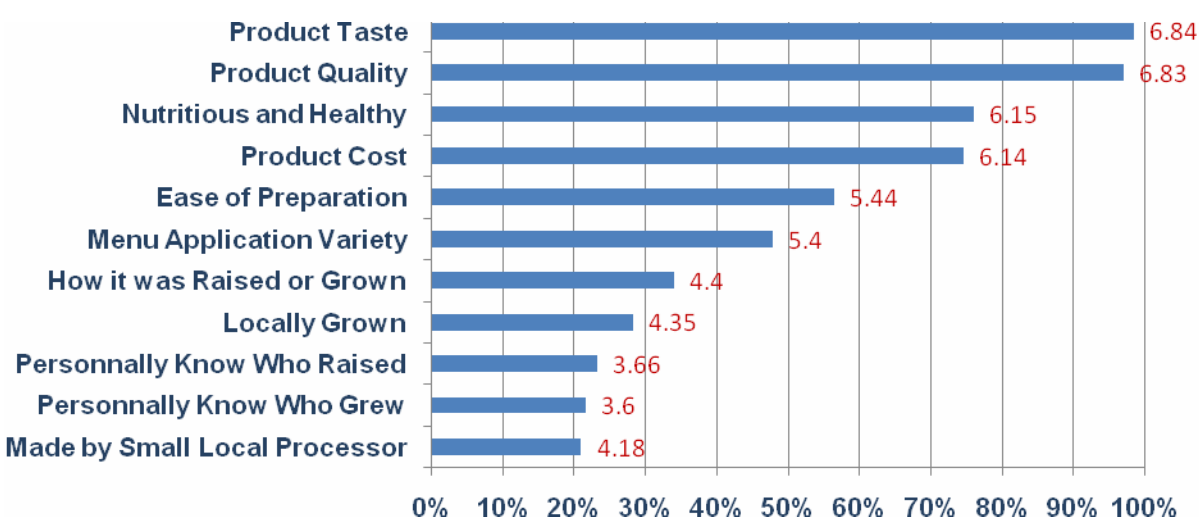
Question: Your age on your last birthday?



The average age of institutional buyers contacted for the survey was 48; 25 percent were under 41 years of age and 25 percent were older than 55 years of age.

Product and Purchase Attributes

Question: How IMPORTANT is each of the following factors to you when purchasing food products? Using a scale of 1 (Not important) to 7 (Very important), circle ONE response to each factor.



Respondents were asked to rank the importance (on a scale of 1 to 7) of 11 attributes in determining the products they purchase. Nearly all (99 percent) of the respondents indicated the product's taste was very important (scale of 6 or 7). The average (or mean) rating was 6.84 on a scale of 1 to 7. Product quality was ranked second with 97 percent of the respondents indicating quality was very important (average rating of 6.83 on a scale of 1 to 7). Product cost and nutrition and health attributes of the product also were highly ranked with approximately 75 percent of the respondents indicating these were very important qualities (average rating of 6.14 – 6.15).

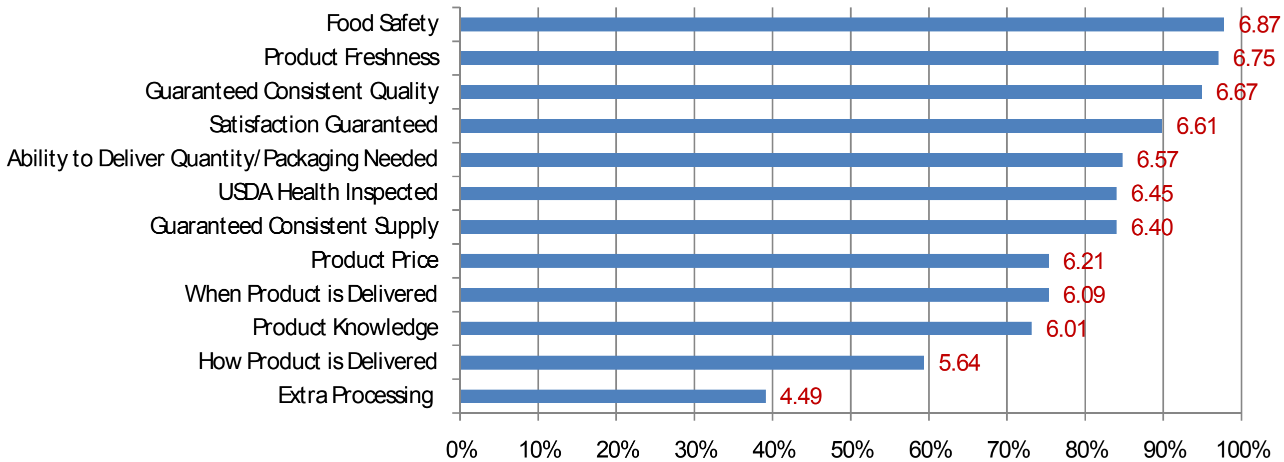
Ease of preparation and variety of menu applications were found to be very important to about half of the respondents. The average rating for these two attributes was 5.40 – 5.44. Knowing how the product was grown, who grew or raised the product, or that the product was locally grown was less important to the respondents, with each of these attributes receiving an average rating of 4.4 or less.

This question was analyzed to determine if respondents from the individual counties rated the attributes differently. A statistical test indicated there were only two situations where responses were significantly different. Fayette County institutions saw product cost as less important than did respondents from the other four counties. Second, Winneshiek County institutions found ease of preparation less important than did institutions in the other four counties. These results would seem to indicate that producers do not need to segment their market by the county in which the institution is located.

A third analysis was conducted to determine if respondents from various types of institutions rated the attributes differently. The same statistical test was conducted and showed slight, but significant differences.

One type of business always rated the top four attributes significantly lower than the other six qualities. For product quality and taste, the "Other" institutional category indicated quality was not as important. The Limited Service category rated nutrition and health lower, whereas the Food Processing group rated product cost less important.

Question: If a farmer or a small processor approached your establishment about their product, how IMPORTANT would each of the following factors be in your decision to purchase their products?



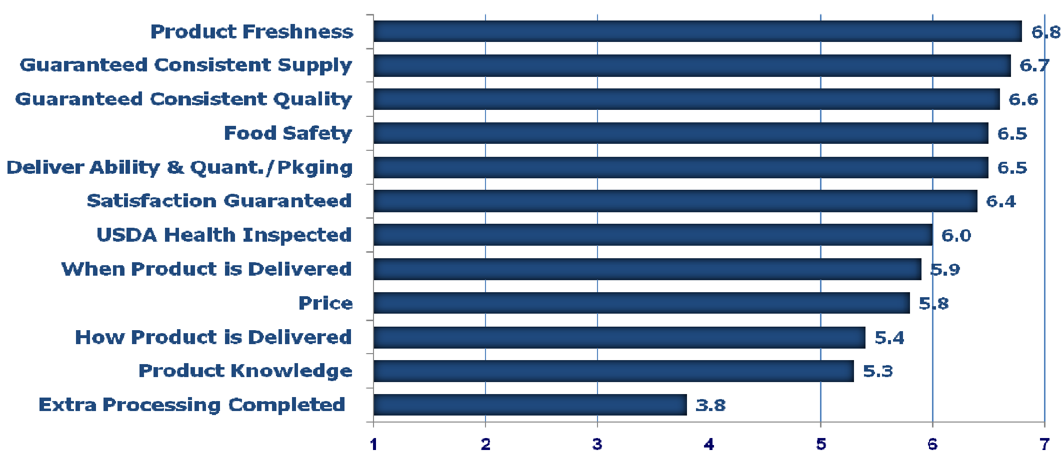
Respondents were asked to use a scale of 1 to 7 to rank the importance of 12 attributes in making the decision to purchase products from a farmer or small processor. Food safety was very important to 97 percent of the respondents, with an average rating of 6.87 on a scale of 1 to 7. Close behind food safety were product freshness (98 percent called it very important, with an average rating of 6.75) and guaranteed consistent quality (95 percent, very important, and 6.67 average rating). Satisfaction guaranteed (90 percent, 6.61) and ability to deliver quantity in the packaging needed (85 percent, 6.57) rounded out the top five attributes. Guaranteed consistent supply and USDA-health inspected also were cited by approximately 84 percent of respondents (average rating of about 6.40), indicating that these factors were very important. The product's price was the eighth highest attribute. Attributes ranked similarly to price were the timing of the delivery and the seller's knowledge of the product.

The same question was analyzed to determine if respondents from the individual counties rated the attributes differently. The statistical test yielded only one situation where responses were significantly different. How a product was delivered was not as important to Winneshiek County institutions as it was to respondents in the other four counties.

Full Service Purchasing Factors

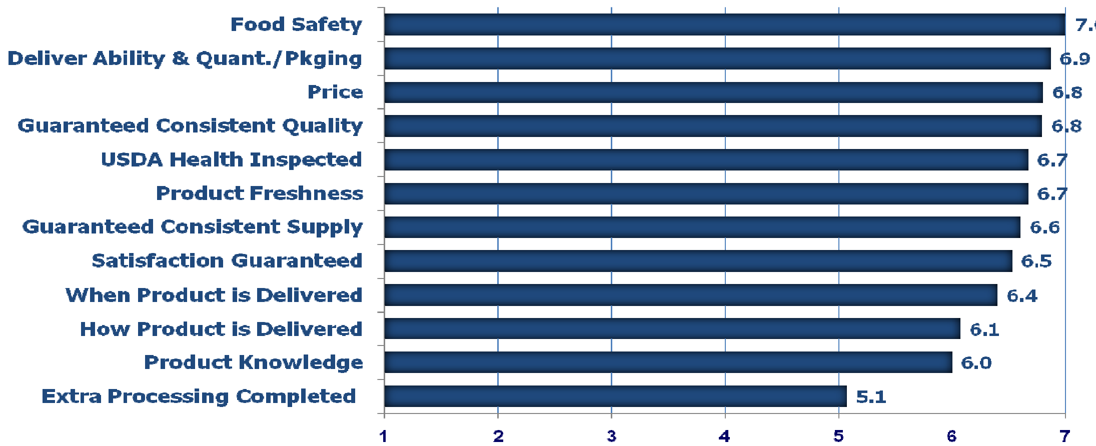
This chart and the six that follow present the same purchasing factors for each category of institutional buyers. For full-service buyers, the factors that are least important are when and how product is delivered, price, product knowledge, the need for extra processing and how the product is delivered.

Limited Service Purchasing Factors



The importance of different purchasing factors for limited service restaurants is rated more diversely than for full-service restaurants. However, the top six factors have a rather limited range of 6.4 – 6.8 and are the same as those for their full-service counterparts. The top six purchasing factors are: product freshness, guaranteed consistent supply, guaranteed consistent quality, food safety, ability to deliver the quantity and packaging requested, and satisfaction guaranteed.

Public/Private Schools Purchasing Factors



Public and private schools are concerned with many of the same purchasing factors as restaurants, with two exceptions. Schools are very concerned with price and USDA-health inspection. These institutions typically are on a tight food budget and want to make sure they receive a good, safe product for their food dollars.

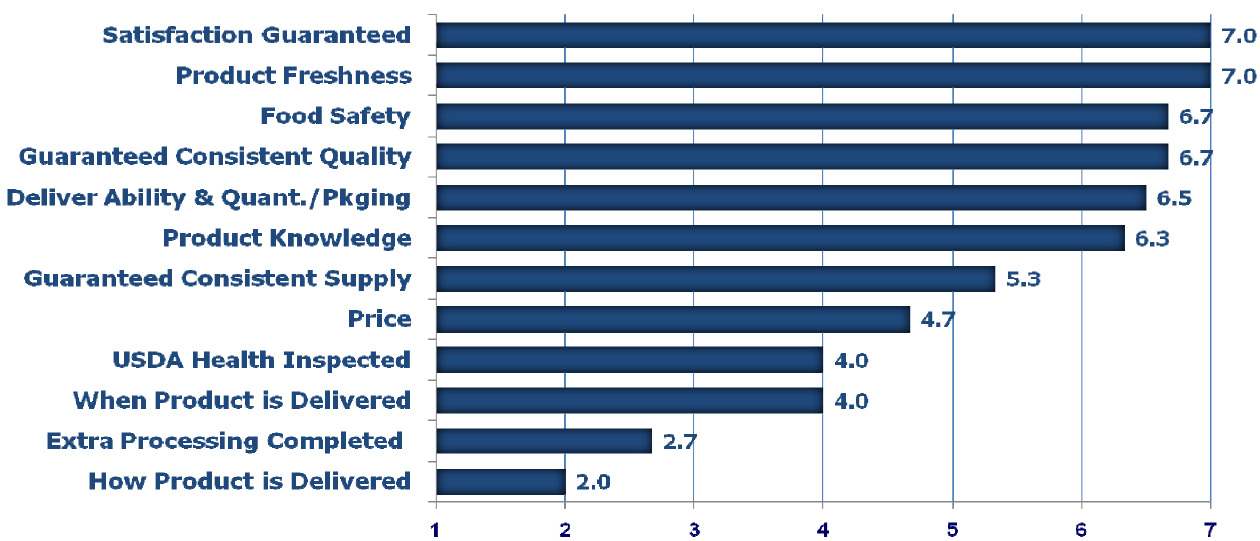
Hospital Care Centers Purchasing Factors

Product knowledge and the need for extra processing are the only factors that don't enter into the purchasing decisions for hospital and care centers. Food safety is the most important factor (all participants gave food safety a rating of 7 on a scale from 1 to 7), followed closely by product freshness, USDA-health inspection and the ability to deliver the quantity and packaging needed.

Food Retailers/Distributors Purchasing Factors

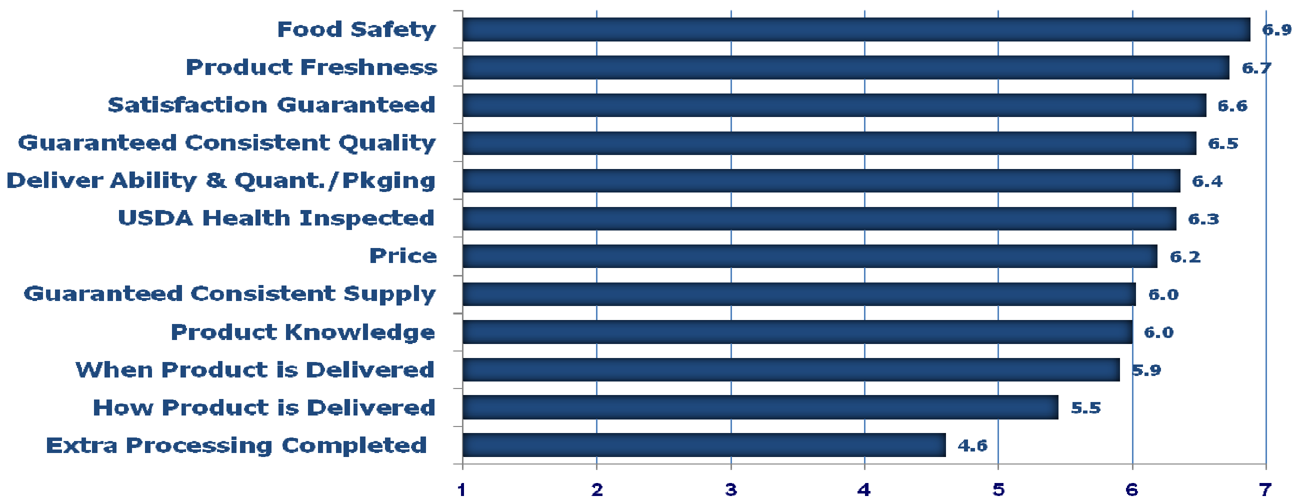
Food retailers are concerned with food safety and product inspection, followed closely by freshness and guarantees for quality and supply. Pricing, product knowledge, and the logistics of getting the product to the buyer are considered to be less important.

Food Processors Purchasing Factors



Food processors are most concerned with the freshness and the quality of the product and the seller's guarantee that the product will meet the needs of the buyer. The price of the product, the need for extra processing, and when and how the product is delivered are not major concerns for processors.

Other Food – Type Establishments Purchasing Factors



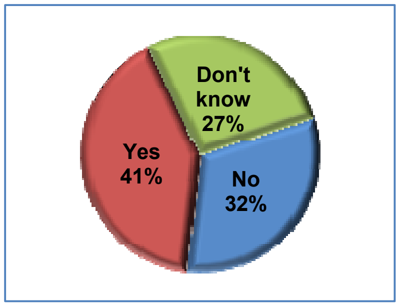
Other Food category buyers are very similar to full-service restaurants in that food safety and product freshness are cited as the two top factors, along with the importance of guarantees for satisfaction and quality.

In summary, the most highly rated factors including food safety, freshness, and quality were consistent across all types of institutional buyers. For most buyers, the ability to deliver the quantity needed in specific packaging was important. The ability to guarantee satisfaction was rated as important to all institutions except public and private schools.

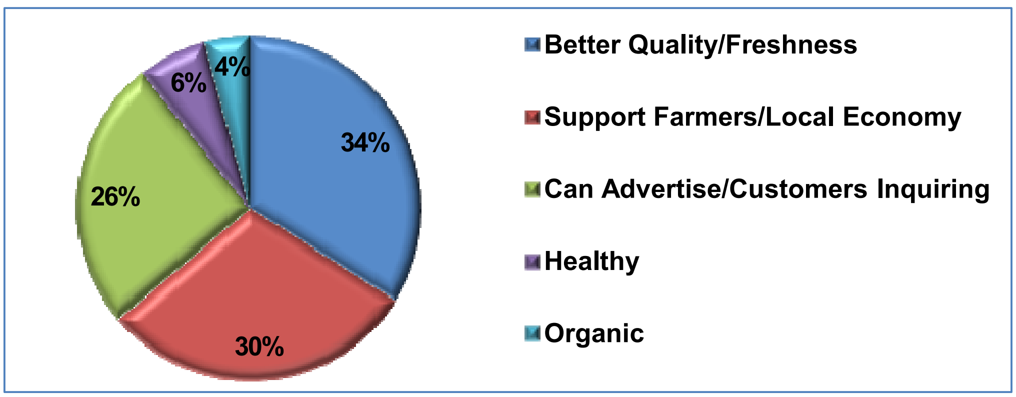
For restaurants and retailers, a consistent supply was important, whereas schools were concerned with price. Health inspection was important to schools, hospitals and care centers, and retailers.

Advantages of Local Purchases

Question: In your opinion, would locally grown food products that were "source verified," naturally or organically grown, or heritage-based have any advantages in their appeal to your customers?



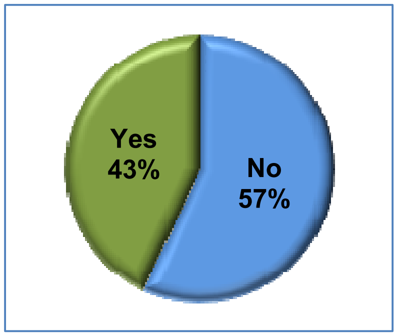
Forty-one percent of the respondents indicated that locally grown food products would have an advantage in their appeal to their customers. Thirty-two percent did not believe there was any advantage to using locally grown products, whereas 27 percent did not know.



Those respondents who felt there was an advantage to locally grown food products were asked to list the likely benefits. The summarized responses fell into five categories. Thirty-four percent said their customers felt that locally grown food products were fresher and of higher quality. Thirty percent thought their customers wanted them to support the local economy and farmers, whereas 26 percent indicated that customers had asked them to purchase local food.

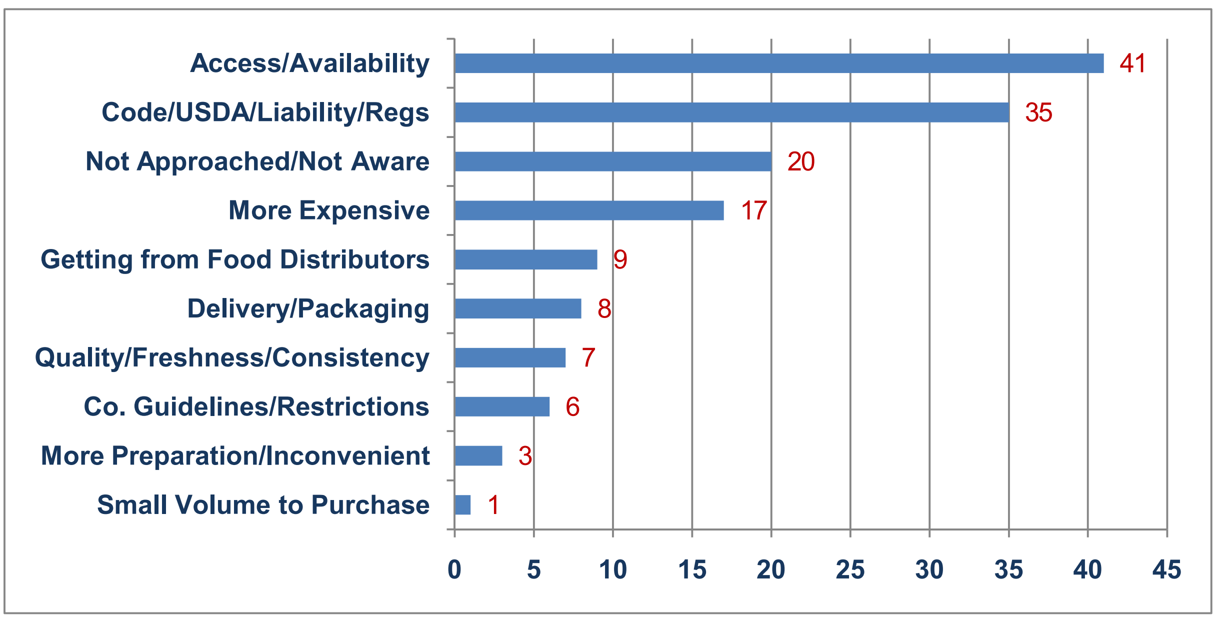
Purchases of Local Food Products

Question: Do you currently use locally grown food?

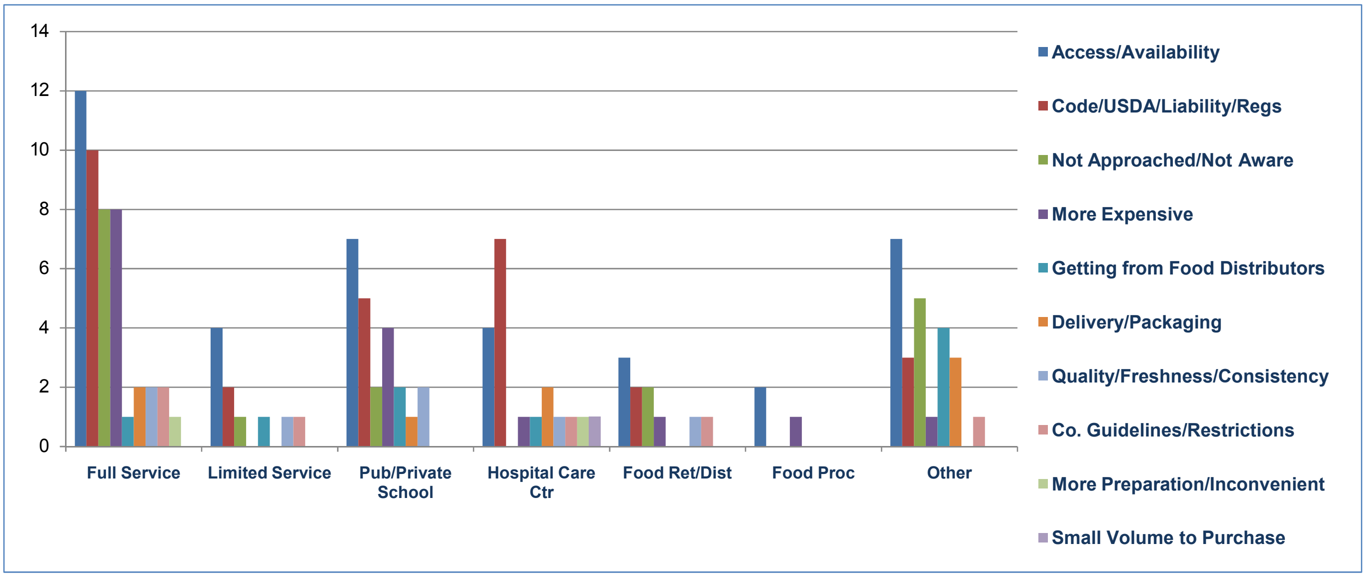


Fifty-seven percent of respondents indicated they currently use locally grown food. Of the locally grown food, 80 percent is purchased and 20 percent is donated.

Question: For what reasons have you not purchased OR have you stopped purchasing locally grown foods?

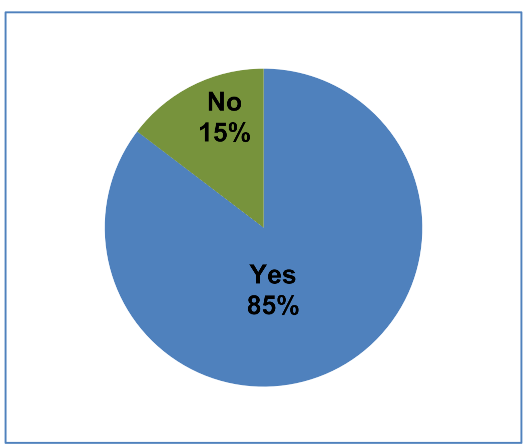


The primary reason (used by 41 respondents) for not "purchasing or stopped purchasing locally grown products" was lack of access and/or availability. An additional 20 respondents said they had not been approached by a local farmer or processor or were not aware of whom to contact for these products. State codes, regulations, etc. were noted by 35 respondents as a barrier, whereas 17 thought locally grown food was more expensive.



There were differences in barriers noted by varying types of institutions. For example, hospitals and care centers, public and private schools, and full-service restaurants considered regulations as a large barrier to local purchases. Full-service restaurants and public and private schools also believed locally grown products are expensive.

Question: If these barriers or obstacles were adequately addressed by a vendor, would you purchase locally grown food?



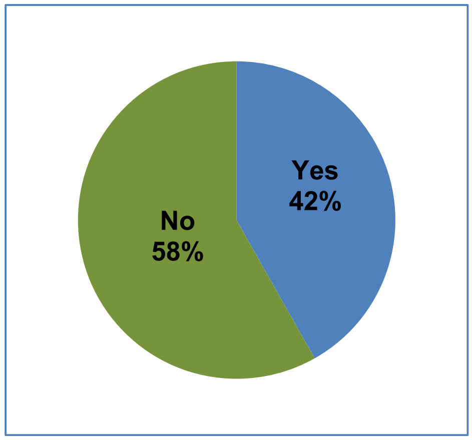
Eighty-five percent of the respondents indicated that if the obstacles or barriers were removed they would purchase locally grown food. Fifteen percent responded that they would not purchase local food even if the barriers or obstacles were removed.

Question: List the products you would consider purchasing if available.

Food Category	Types of Products
Dairy	Butter, Cheese, Cream Cheese, Half and Half, Ice Cream, Milk, Yogurt
Fruits	Apples, Blackberries, Cantaloupe, Grapes, Pears, Raspberries, Rhubarb, Strawberries, Watermelon
Meats	Beef – ground, roasts, and steaks; Poultry; Eggs; Fish; Pork – bacon, chops, ground, ham, and roasts
Other	Baking ingredients such as flour, oats, canola oil, corn meal, and wheat bran, germ, whole and cracked wheat, as well as breads and rolls, Flowers, Honey, Jams and Jellies, Maple Syrup
Vegetables	Broccoli, Cabbage, Carrots, Cauliflower, Celery, Corn, Cucumbers, Green Beans, Green Peppers, Greens (lettuce and spinach), Onions, Peas, Potatoes, Radishes, Squash, Sweet Potatoes, Tomatoes

The detailed listing of products and potential quantities is located in the Appendix. In general, most products that can be grown or raised in Northeast Iowa can potentially be sold to institutions.

Question: Would you be willing to pay more for locally grown products?



Fifty-eight percent of those responding said they were unwilling to pay more for locally grown products. Among the 42 percent who indicated they would be willing to pay more for local products, the average percentage above the cost of conventional food was 12 percent. The median percentage above the cost of conventional food was 10 percent, and the third quartile percentage was 15 percent.

Appendix

List the products you would consider if available.

DAIRY	Unit	Monthly Qty	Months per Yr	Total Qty
butter	lbs	30.00	12.0	360
1/2 and 1/2	qts	10.00	12.0	120
160 slice Amer Cheese	lbs	60.00	6.5	390
cheese	lbs	650.00	4.4	2,850
2% milk	gals	16.00	6.5	104
milk	gal	645.00	12.0	7,740
cream cheese	lbs	55.00	12.0	660
ice cream	gal	45.00	12.0	540
yogurt	lbs	30.00	12.0	360

FRUITS	Unit	Monthly Qty	Months per Yr	Total Qty
apples	fruit	580.00	9.4	5,460
apples	bushel	0.33	12.0	4
apples	lbs	3,068.00	11.9	36,418
blackberries	lbs	50.00	4.0	200
cantaloupe	lbs	10.00	12.0	120
grapes	lbs	25.00	11.3	282
pears	lbs	12.00	5.0	60
raspberries	lbs	50.00	4.0	200
rhubarb	lbs	8.00	12.0	96
strawberries	pts	24.00	9.0	216
strawberries	lbs	190.00	5.5	1,045
melons	fruit	16.00	12.0	192
watermelon	lbs	30.00	9.5	285

MEATS	Unit	Monthly Qty	Months per Yr	Total Qty
beef and beef products	lbs	1,710.00	8.8	15,100
beef steaks	units	20.00	8.0	160
chicken and poultry	lbs	510.00	12.0	6,120
eggs	doz	1,233.00	12.0	14,796
fish	lbs	160.00	12.0	1,920
pork and pork products	lbs	955.00	9.8	9,340
pork chops	units	10.00	8.0	80

Process Foods	Unit	Monthly Qty	Months per Yr	Total Qty
bread/rolls	50 rolls	4.00	12.0	48
bread/rolls	loaves	176.00	12.0	2,112
breads	lbs	240.00	12.0	2,880
maple syrup	qts	2.00	12.0	24
honey	5 gal	1.00	12.0	12
jellies	gal	2.00	12.0	24

Vegetables	Unit	Monthly Qty	Months per Yr	Total Qty
broccoli	case	12.00	12.0	144
broccoli	bundles	32.00	12.0	384
broccoli	lbs	46.00	9.0	414
cabbage	box	6.00	12.0	72
cabbage	case	1.00	12.0	12
cabbage	lbs	88.00	12.0	1,056
carrots	bag	6.00	12.0	72
carrots	lbs	3,346.00	12.0	39,995
cauliflower	lbs	6.00	9.0	54
celery	piece	24.00	12.0	288
corn	lbs	240.00	9.0	2,160
cucumbers	piece	120.00	12.0	1,440
cucumbers	lbs	55.00	8.9	490
green beans	lbs	176.00	10.0	1,752
green pepper	bushels	4.50	11.2	51
green pepper	box	8.00	12.0	96
green peppers	lbs	68.00	10.1	690
green peppers	piece	717.00	2.0	1,454
lettuce	case	3.00	12.0	36
lettuce	heads	138.00	7.9	1,092
lettuce, greens	lbs	3,703.00	11.6	42,796
mushrooms	1 gal	4.00	12.0	48
onions	piece	450.00	2.2	1,000
green onion	box	12.00	12.0	144
yellow onions	box	12.00	12.0	144
onions	bushels	4.00	12.0	48
onions	lbs	381.00	7.9	3,022
peas	lbs	120.00	9.0	1,080
snow peas	box	4.00	12.0	48
potatoes	piece	240.00	12.0	2,880
potatoes	bushels	1.00	12.0	12
potatoes	lbs	5,885.00	10.2	60,015
radishes	lbs	5.00	9.0	45
squash	lbs	27.00	9.4	254
sweet potatoes	lbs	200.00	12.0	2,400
tomatoes	carton	1.00	12.0	12
tomatoes	20 each	4.00	12.0	48
tomatoes	bushels	26.00	11.8	306
tomatoes	flats	2.00	12.0	24
tomatoes	lbs	4,633.00	10.9	50,366
yellow (wax) beans	lbs	28.00	12.0	336
zucchini	lbs	20.00	8.5	170

NORTHEAST IOWA LOCAL FOOD SURVEY

Instructions: Please respond to this questionnaire by circling a number of filling in a blank. There is also an opportunity for you to write your own comments.

1. How IMPORTANT is each of the following factors to you when purchasing food products? Using a scale of 1 (Not important) to 7 (Very important), circle ONE response for each factor.

	Not Important						**Very Important**
1. Product's quality....................................	1	2	3	4	5	6	7
2. Product's taste	1	2	3	4	5	6	7
3. Product is nutritious and healthy	1	2	3	4	5	6	7
4. Product's cost	1	2	3	4	5	6	7
5. Product has a variety of menu applications	1	2	3	4	5	6	7
6. Product is locally grown	1	2	3	4	5	6	7
7. Product is made by a small local processor	1	2	3	4	5	6	7
8. Ease of preparation...............................	1	2	3	4	5	6	7
9. Personally know *who raised* processed product..	1	2	3	4	5	6	7
10. Personally know *who grew* the product .	1	2	3	4	5	6	7
11. Know *how product was raised* or *grown*	1	2	3	4	5	6	7

2. **If a farmer or a small processor approached your establishment about their product, how IMPORTANT would each of the following factors be in your decision to purchase their food products? (Circle ONE response for each product)**

	Not Important						Very Important
1. Guaranteed consistent *supply*	1	2	3	4	5	6	7
2. Guaranteed consistent quality............	1	2	3	4	5	6	7
3. Price	1	2	3	4	5	6	7
4. When product is delivered	1	2	3	4	5	6	7
5. How product is delivered	1	2	3	4	5	6	7
6. Product freshness	1	2	3	4	5	6	7
7. Satisfaction guaranteed......................	1	2	3	4	5	6	7
8. Ability to deliver the quantity and packaging needed	1	2	3	4	5	6	7
9. Food safety..	1	2	3	4	5	6	7
10. USDA health inspected.......................	1	2	3	4	5	6	7
11. Product knowledge	1	2	3	4	5	6	7
12. Extra processing completed (e.g. sliced/ diced vegetables)	1	2	3	4	5	6	7

3. **In your opinion, would locally grown food products that were "source verified," naturally or organically grown, or heritage-based have any advantages in their appeal to your customers (circle ONE response)?**

1. No
2. Yes
3. Don't know

3a. If YES, list one or more advantages

____

4. **Do you currently use locally grown food?**

1. Yes
2. No

If YES, was it …?

1. Purchased
2. Donated

If NO, go to Question 6

5. **In the table below, write the individual product and the quantity estimate for each locally grown product you are CURRENTLY purchasing. For the quantity, write down the average amount purchased per month and the number of months per year the product is purchased.**

VEGETABLES (for example, tomatoes, potatoes, peppers, carrots, etc)	**Unit (e.g., pints, quarts, pounds, bushels)**	**Monthly quantity currently used**	**How many months per year?**
FRUITS (for example apples, pears, strawberries, grapes)	**Unit (e.g., pints, quarts, pounds, bushels)**	**Monthly quantity currently used**	**How many months per year?**
MEATS (for example, beef, pork, fish, poultry, eggs, specialty meats)	**Unit (e.g., pints, quarts, pounds, bushels)**	**Monthly quantity currently used**	**How many months per year?**

DAIRY (for example, milk, cheese, yogurt, ice cream)	**Unit (e.g., pints, quarts, pounds, bushels)**	**Monthly quantity currently used**	**How many months per year?**
MEATS (for example, jams, jellies, honey, peeled/sliced vegetables, meat by the cut)	**Unit (e.g., pints, quarts, pounds, bushels)**	**Monthly quantity currently used**	**How many months per year?**
OTHER PRODUCTS (for example, bread, crafts, cut flowers, candies, alcoholic beverages)	**Unit (e.g., pints, quarts, pounds, bushels)**	**Monthly quantity currently used**	**How many months per year?**

6. **For what reasons have you not purchased OR have you stopped purchasing locally grown foods? (List the barriers or obstacles that make it difficult for you to purchase these products).**

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7. **If these barriers or obstacles were adequately addressed by a vendor, would you purchase locally grown food (circle one response)?**

    1. No **(Go to question 8)**
    2. Yes →

If YES, please go to the table below. List the products you would consider purchasing if available. Also, list an estimate of the quantity you would potentially purchase and how many months per year you would need this quantity. Then move on to Question 8.

PRODUCT	**Unit (e.g., pints, pounds, bushel)**	**Monthly quantity you would use**	**How many months per year?**

8. Would you be willing to pay more for locally grown products (circle one response)?

1. No
2. Yes → **If YES, what percentage above the cost of conventional food seems reasonable to you? ____ %**

9. Which best describes your type of business (circle one response)?

1. Full service restaurant
2. Limited service (fast food) restaurant
3. Public or private school or college
4. Hospital or care center
5. Food retailer/distributor
6. Food processor/product development
7. Other (specify ________________________________)

10. How many years have you been in this business? _____ years

11. Your age on your last birthday? _____ years

12. What is your 5-digit Zip Code? _____________

13. Use this space to list any additional comments.

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Thank you for responding to this questionnaire!

Please fold and return your completed questionnaire in the enclosed envelope to the individual delivering the questionnaire to you.

If you would like to know more about how to purchase locally grown food or receive a copy of the survey results please provide your contact information below, check the appropriate box, detach this sheet, and hand your request to the individual delivering the questionnaire.

Name ____

Business name ____

Address ____

____

Telephone ____

Want info on how to purchase; please contact me. ☐ Send me survey results ☐